



Irish Life Weekly Investment Bulletin

The week that was – WEEK 23 (ending 09/06/2017)

“Win as if you were used to it, lose as if you enjoyed it for a change.” – Ralph Waldo Emerson

Irish residential property prices rise by 10.5% in the year to April – The latest data by the Central Statistics Office shows residential property prices at national level increased by 10.5% in the year to April - Dublin prices up 8.2% and 13.4% higher outside Dublin - amid ‘bubble’ concerns expressed by the OECD.

ECB drops rate-cut bias – The European Central Bank’s President Mario Draghi announced on Thursday he no longer thinks benchmark rates might move lower as the ECB slightly lifted growth prospects but it expects inflation only to rise very slowly. Risks to the eurozone economy are now “broadly balanced”, he said.

Global stock market down 0.3% on the week – The MSCI AC World TR Index fell over the week as it showed a return of -0.33% from 2nd June to 9th June with the U.K. election outcome and ex-FBI director James Comey’s testimony to the U.S. Senate the main news. The VIX however remained very low at 10.

Markets take U.K. election outcome in their relative stride – Prime Minister Theresa May’s attempt to improve her Brexit bargaining position by calling a snap election did exactly the opposite and undermined the case for a ‘hard’ Brexit. Markets were quite resilient in general as a softer Brexit was seen as less disruptive.

Oil price down again after EIA comments on U.S. supply – Brent crude price dropped to \$47 - its lowest level since 30th November when OPEC initially unveiled its production cuts - a 10% fall in three weeks. The Energy Information Administration projected that 2018 US domestic daily oil output will top 10 million barrels.

China’s exports and imports in May beat forecasts – The General Administration of Customs reported that May exports rose 8.7% and imports 14.8% compared to a year earlier, both beating analysts’ expectations, signaling some temporary improvement in the world’s number two economy despite a cooling property market.

The Story of the week: A grandmother-of-four in Nottingham has become another internet sensation, thanks to a video of her using a hairdryer to fool speeding drivers into slowing down. Jean Brooks, 64, has had millions of views with a video filmed for the BBC of her unique idea to improve safety on her street. Her neighbours claim they have noticed a remarkable difference and brake lights coming on since she started holding the hairdryer over her garden fence. Jean explained: “This street is the main road onto the estate so it is busy, and it’s also used as a school drop off point. They come up on their scooters and quadbikes showing off to the sixth form girls, acting like a male bird of paradise.”

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Index Performances and Market Data*

Equity and Bond Markets % (in Local Currency)	2012	2013	2014	2015	2016	2017 YTD (to 09/06)
MSCI AC World (Gross TR)	16.5	26.2	9.9	1.8	9.7	9.9
ISEQ Overall Return	20.5	35.8	16.8	33.6	-2.7	8.4
FTSE 100 TR	10.0	18.7	0.7	-1.3	19.1	7.4
Euro Stoxx 50 TR	18.1	21.5	4.0	6.4	3.7	11.1
S&P 500 TR	16.0	32.4	13.7	1.4	12.0	9.6
Nasdaq Composite	15.9	38.3	13.4	5.7	7.5	15.3
Nikkei 225	22.9	56.7	7.1	9.1	0.4	4.7
MSCI Emerging Markets	13.9	0.9	2.6	-8.0	7.1	13.6
Eurozone Government Bonds 1–5 yr	5.9	2.1	3.4	1.0	0.9	0.0
Sovereign 10yr Bond Yields (%)	2012	2013	2014	2015	2016	2017 YTD
U.S.	1.7	3.0	2.2	2.2	2.4	2.2
German	1.4	1.9	0.5	0.6	0.2	0.2
UK	1.9	3.0	1.9	1.9	1.2	1.0
Japan	0.7	0.7	0.3	0.2	0.0	0.1
Ireland	4.5	3.4	1.3	1.1	0.7	0.7
Italy	4.6	4.1	2.1	1.6	1.8	2.0
Greece	12.7	8.2	9.6	7.9	7.1	5.9
Portugal	6.9	6.1	2.7	2.5	3.8	3.0
Spain	5.4	4.1	1.6	1.7	1.4	1.4
Central Bank Rates (%)	2012	2013	2014	2015	2016	2017 YTD
ECB	0.75	0.25	0.05	0.05	0.0	0.0
Bank of England	0.5	0.25	0.50	0.50	0.25	0.25
U.S. Federal Reserve	0.25	0.25	0.25	0.50	0.75	1.00
Foreign Exchange Rates	2012	2013	2014	2015	2016	2017 YTD
Euro/Dollar (€/\$)	1.31	1.37	1.21	1.09	1.04	1.12
Euro/Sterling (€/£)	0.81	0.83	0.78	0.75	0.84	0.88
Sterling/Dollar (£/\$)	1.61	1.65	1.56	1.46	1.24	1.27
IPD All Property Return % (in Local Currency)	2012	2013	2014	2015	2016	2017
Ireland	3.1	12.7	40.1	25.0	12.8	2.0% (to end of Q1)
U.K.	2.7	10.7	17.8	13.1	3.6	2.3% (to end of Q1)
U.S.	5.3	11.4	11.2	12.1	7.8	1.6% (to end of Q1)

*Past performance is not a reliable guide to future performance